STATE OF NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENTED OCD OIL CONSERVATION DIVISION

2011 AUG 23 P II: 53

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION DIVISION FOR THE PURPOSE OF CONSIDERING:

APPLICATION OF WILLIAMS PRODUCTION COMPANY FOR SIMULTANEOUS DEDICATION. SAN JUAN COUNTY, NEW MEXICO.

Case No. 14719

AMENDED PRE-HEARING STATEMENT

This pre-hearing statement is submitted by San Juan Basin Resources LLC ("San Juan") as required by the Oil Conservation Division.

APPEARANCES

APPLICANT

Williams Production Company

<u>OPPONENT</u> San Juan Basin Resources LLC Suite 10C 1499 Blake Street Denver, Colorado 80202

Attention:

Sheryl A. Olson, CPL

(303) 573-6333

APPLICANT'S ATTORNEY

Ocean Munds-Dry

OPPONENT'S ATTORNEY

James Bruce P.O. Box 1056

Santa Fe, New Mexico 87504

(505) 982-2043

STATEMENT OF THE CASE

APPLICANT

OPPONENT

Applicant seeks an order approving simultaneous dedication of its proposed Rosa Unit Well No. 242A (a horizontal well) with the existing Rosa Unit Well No. 242. The E/2 of Section 33, Township 32 North, Range 6 West, N.M.P.M. is dedicated to wells in the Fruitland Coal formation. The terminus of Well No. 242A will be located 96 feet from the E/2 of Section 33, which is a communitized tract in which San Juan owns an interest.

The severely unorthodox location will drain Fruitland Coal reserves from San Juan's communitized well unit, and adversely affect its correlative rights. Therefore, San Juan opposes the application, in particular the well's proposed unorthodox location.

PROPOSED EVIDENCE

APPLICANT

<u>WITNESSES</u> <u>EST. TIME</u> <u>EXHIBITS</u>

OPPONENT

<u>WITNESSES</u> <u>EST. TIME</u> <u>EXHIBITS</u>

Sheryl Olson 20 min. Approx. 6

(landman)

Duncan Shepherd 20 min. Approx. 6

(engineer)

PROCEDURAL MATTERS

Respectfully submitted,

James Bruce

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Attorney for San Juan Basin Properties LLC

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing pleading was served upon the following counsel of record this 20 7 day of August, 2011 via United States Mail:

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ames Bruce